



American Association of
HEALTH PLANS

Karen Ignagni
President and Chief Executive Officer

June 6, 2002

The Honorable Bill Thomas
Chairman
House Ways and Means Committee
1102 Longworth Building
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the American Association of Health Plans (AAHP) and our member plans, I am writing to express our strong support for your bill which stabilizes the Medicare+Choice program for millions of beneficiaries through comprehensive Medicare legislation and for your leadership in ensuring that Medicare remains strong and viable as it responds to pressures associated with the aging of the baby boomers.

Based on our understanding of your draft, the proposed legislation sets forth innovative solutions for achieving three important Medicare priorities:

- adequately funding the Medicare+Choice program;
- making prescription drug coverage available to all beneficiaries; and
- advancing structural reforms to protect Medicare for future generations of beneficiaries.

We are particularly pleased that your proposal includes important provisions to address the funding crisis in the Medicare+Choice program. By making structural changes in the Medicare+Choice payment formula, your legislation would help stabilize a program that plays a meaningful and significant role in meeting the health care needs of many low-income and minority beneficiaries.

AAHP and our member plans also support your efforts to advance a competitive Medicare system, based on public-private partnerships, to provide beneficiaries with expanded health plan choices and high quality health care that includes prescription drug coverage. As you know, in order for such a competitive system to exist as more than a goal, action must be taken to ensure that private health plan choices remain a viable option. Therefore, it is critically important for Congress to adopt your recommendations to stabilize the Medicare+Choice program for beneficiaries whose choices and benefits currently are threatened by the longstanding crisis in this program.

Thank you again for your leadership in the Medicare debate. We look forward to continuing to work with you to address these important issues in the coming months.

Sincerely,

Karen Ignagni